

1 **AN ACT** *to amend* 70.11 (4), 71.54 (1) (f) (title), 71.54 (1) (f) (intro.) and 71.54 (2) (b)
2 3.; and *to create* 71.54 (1) (g), 71.54 (1) (h) and 71.54 (2) (b) 4. and 5. of the
3 statutes; **relating to:** ...

The people of the state of Wisconsin, represented in senate and assembly, do enact as follows:

JOINT LEGISLATIVE COUNCIL PREFATORY NOTE: This draft was prepared for the joint legislative council's special committee on tax exemptions for residential property (*Columbus Park*).

Revision and Reorganization of s. 70.11 (intro.) and (4), stats. Under current law, property owned and used exclusively by certain entities specified under s. 70.11 (4), stats., is exempt from the property tax. This draft reorganizes s. 70.11 (4) to make it more readable and to place the types of property that are exempt under that section into separate statutory subdivisions.

This draft also revises the property tax exemption under current s. 70.11 (4) for "property owned by benevolent associations, including benevolent nursing homes and retirement homes for the aged". Instead of exempting all residential property owned and used exclusively by a benevolent association, the draft limits the tax exemption for residential property owned by a benevolent association to the following types of property:

- a. Nursing homes licensed under s. 50.03.
- b. Community-based residential facilities licensed under s. 50.03.
- c. Adult family homes certified under s. 50.032 or licensed under s. 50.033.
- d. Domestic abuse shelters.
- e. Shelters for the homeless, including transitional housing facilities.
- f. Nonresidential property owned by benevolent associations.

Increase in homestead tax credit income limits and maximum amount of property tax.

Under current law, the maximum household income for a household claiming the homestead tax credit is \$24,500. The amount has not changed since 2000.

Also under current law, the maximum amount of the eligible property tax that can be used in calculating the homestead tax credit is \$1,450. This amount has not changed since calendar year 1990.

This draft increases the maximum household income for a household claiming the homestead credit to \$27,430 in 2006 and \$27,800 in 2007. It also increases the maximum amount of the eligible property tax that can be used in calculating the homestead tax credit to \$1,620 for 2006 and \$1,650 for 2007.

1 **SECTION 1.** 70.11 (4) of the statutes is amended to read:

2 70.11 (4) EDUCATIONAL, RELIGIOUS AND BENEVOLENT INSTITUTIONS; WOMEN'S CLUBS;
3 HISTORICAL SOCIETIES; FRATERNITIES; LIBRARIES. Property owned and used exclusively by
4 educational any of the entities described in this subsection while such property is used not for
5 profit. Property that is exempt from taxation under this subsection and is leased remains
6 exempt from taxation only if, in addition to the requirements specified in the introductory
7 phrase of this section, the lessee does not discriminate on the basis of race. The amount of land
8 exempt under this subsection may not exceed 10 acres of land necessary for location and
9 convenience of buildings, except as provided in par. (b). This subsection does not include
10 property owned by an organization that is organized under s. 185.981 or ch. 611, 613, or 614
11 and that offers a health maintenance organization as defined in s. 609.01 (2) or a limited service
12 health organization as defined in s. 609.01 (3) or by an organization that is issued a certificate
13 of authority under ch. 618 and that offers a health maintenance organization or a limited
14 service health organization or by any nonstock, nonprofit corporation which services
15 guaranteed student loans for others or on its own account.

16 (a) Educational institutions offering regular courses 6 months in the year; ~~or by~~
17 churches.

1 (b) Churches or religious, educational or benevolent associations, including benevolent
2 nursing homes and retirement homes for the aged but not including an organization that is
3 organized under s. 185.981 or ch. 611, 613 or 614 and that offers a health maintenance
4 organization as defined in s. 609.01 (2) or a limited service health organization as defined in
5 s. 609.01 (3) or an organization that is issued a certificate of authority under ch. 618 and that
6 offers a health maintenance organization or a limited service health organization and not
7 including property owned by any nonstock, nonprofit corporation which services guaranteed
8 student loans for others or on its own account, and also including property owned and used
9 for housing for pastors and their ordained assistants, members of religious orders and
10 communities, and ordained teachers, whether or not contiguous to and a part of other property
11 owned and used by such associations or churches; or by women's, but not other types of
12 residential housing except for the property described in par. (c). Property owned by churches
13 or religious associations necessary for location and convenience of buildings, used for
14 educational purposes and not for profit, shall not be subject to the 10-acre limitation, but shall
15 be subject to a 30-acre limitation.

16 (c) Benevolent associations, churches, or religious associations if the property is any
17 of the following:

18 1. A nursing home licensed under s. 50.03.

19 2. A community-based residential facility licensed under s. 50.03.

20 3. An adult family home certified under s. 50.032 or licensed under s. 50.033.

21 4. A domestic abuse shelter.

22 5. A shelter for the homeless, including transitional housing facilities.

23 (cm) Benevolent associations if the property is nonresidential.

24 (d) Women's clubs; or by domestic,

1 (e) Domestic incorporated historical societies; ~~or by domestic,~~
2 (f) Domestic incorporated, free public library associations; ~~or by fraternal~~
3 (g) Fraternal societies operating under the lodge system (except university, college and
4 high school fraternities and sororities), ~~but not exceeding 10 acres of land necessary for~~
5 ~~location and convenience of buildings while such property is not used for profit. Property~~
6 ~~owned by churches or religious associations necessary for location and convenience of~~
7 ~~buildings, used for educational purposes and not for profit, shall not be subject to the 10-acre~~
8 ~~limitation but shall be subject to a 30-acre limitation. Property that is exempt from taxation~~
9 ~~under this subsection and is leased remains exempt from taxation only if, in addition to the~~
10 ~~requirements specified in the introductory phrase of this section, the lessee does not~~
11 ~~discriminate on the basis of race.~~

12 **SECTION 2.** 71.54 (1) (f) (title) of the statutes is amended to read:

13 71.54 (1) (f) (title) *2001 and thereafter to 2005.*

14 **SECTION 3.** 71.54 (1) (f) (intro.) of the statutes is amended to read:

15 71.54 (1) (f) *2001 and thereafter.* (intro.) The amount of any claim filed in 2001 and
16 ~~thereafter to 2005~~ and based on property taxes accrued or rent constituting property taxes
17 accrued during the previous year is limited as follows:

18 **SECTION 4.** 71.54 (1) (g) of the statutes is created to read:

19 71.54 (1) (g) *2006.* The amount of any claim filed in 2006 and based on property taxes
20 accrued or rent constituting property taxes accrued during the previous year is limited as
21 follows:

22 1. If the household income was \$8,000 or less in the year to which the claim relates, the
23 claim is limited to 80% of the amount by which the property taxes accrued or rent constituting
24 property taxes accrued or both in that year on the claimant's homestead.

1 2. If the household income was more than \$8,000 in the year to which the claim relates,
2 the claim is limited to 80% of the amount by which the property taxes accrued or rent
3 constituting property taxes accrued or both in that year on the claimant's homestead exceeds
4 [] % of the household income exceeding \$8,000.

5 3. No credit may be allowed if the household income of a claimant exceeds \$27,430.

6 **SECTION 5.** 71.54 (1) (h) of the statutes is created to read:

7 71.54 (1) (h) *2007 and thereafter.* The amount of any claim filed in 2007 and thereafter
8 and based on property taxes accrued or rent constituting property taxes accrued during the
9 previous year is limited as follows:

10 1. If the household income was \$8,000 or less in the year to which the claim relates, the
11 claim is limited to 80% of the amount by which the property taxes accrued or rent constituting
12 property taxes accrued or both in that year on the claimant's homestead.

13 2. If the household income was more than \$8,000 in the year to which the claim relates,
14 the claim is limited to 80% of the amount by which the property taxes accrued or rent
15 constituting property taxes accrued or both in that year on the claimant's homestead exceeds
16 [] % of the household income exceeding \$8,000.

17 3. No credit may be allowed if the household income of a claimant exceeds \$27,800.

18 **SECTION 6.** 71.54 (2) (b) 3. of the statutes is amended to read:

19 71.54 (2) (b) 3. In calendar year 1990 ~~or any subsequent calendar year~~ to 2005, \$1,450.

20 **SECTION 7.** 71.54 (2) (b) 4. and 5. of the statutes are created to read:

21 71.54 (2) (b) 4. In calendar year 2006, \$1,620.

22 5. In calendar year 2007 or any subsequent calendar year, \$1,650.

23 **(END)**